

Begin forwarded message:

From: Barry Stowe <[REDACTED]>
Subject: Re: Recap of our meeting on Tuesday, September 5th....
Date: September 14, 2023 at 11:26:28 AM CDT
To: Kathleen Estes [REDACTED] >
Cc: Jane MacLeod [REDACTED] >, Daniel Miller [REDACTED] >, Josh Trusley [REDACTED] >, Elizabeth
I Nichols <[REDACTED]>, Elizabeth Akers [REDACTED] >, Kathryn Brown [REDACTED] >, Peggy [REDACTED]

Kinnard <[REDACTED]>, Anne Maradik [REDACTED],
Amy Liz Riddick [REDACTED], Laurel Buntin
[REDACTED], Jennie McCabe [REDACTED], Beth
Alexander [REDACTED]

Kathleen—

I left our meeting on September 5 feeling that it had been a collaborative and constructive exercise, and so I was disappointed to receive your email, the tone and substance of which make clear that little was accomplished.

The importance of working towards a 50% return on the Swan Ball was discussed extensively during the course of 2022, principally with Elizabeth Akers and Peggy Kinnard. This was ultimately accepted, was documented in correspondence between the parties, and ultimately communicated throughout Cheekwood's Governance Structure including our Governance Committee, Executive Committee, and the entire Board of Trustees. Our meeting minutes fully reflect all these discussions.

You will recall there was a final meeting on January 9 with the Swan Ball Executive Committee to review the policies and agree procedures for 2023 and beyond. I led that meeting on behalf of the Cheekwood Board, and specifically recall my exchanges with Elizabeth Akers, then Chair of the Swan Ball Executive Committee. Elizabeth expressed full understanding of the various pressures Cheekwood faces and pledged that the Committee would work together towards mitigating those pressures in the future. It seemed clear that we were aligned and would all be moving forward collaboratively and positively. In this context, the committee's reversal of position is troubling, and the inflexibility characterized in your note is disappointing. But, we are where we are and I remain committed to resolving these issues.

You make a number of other important points in your note which I will fully address, but it will be more effective to do so in person. I will be sharing your email as well as the Power Point presentation with Cheekwood's leadership committees, and will discuss with them the way forward. Following that, I will reach out to you next week to schedule a meeting which will include Josh Trusley and myself along with whatever members of the Swan Ball Committee you wish to invite. I look forward to that discussion, and to the resolution of these questions.

As ever

BLS

On Sep 11, 2023, at 1:59 PM, Kathleen Estes

[REDACTED] > wrote:

Dear Jane, Barry, Josh and Dan,

I want to thank you for your time last week as we attempt to reach an understanding between Swan Ball and Cheekwood. I have asked Elizabeth Nichols to please share a copy of our presentation to ensure that all points presented are available for your review. We welcome any comments and/or questions. Two items below we would like to mention, before presenting next steps from our meeting last week:

1. In the winter of 2023, we met and learned Cheekwood's expectations regarding the performance of Swan Ball and its volunteers. We understood Cheekwood resources would be monitoring expenses related to the 2023 SB and agreed to review the outcome of this collaboration and have further discussion after the ball closed out. However, we do not recall agreeing or committing to an ongoing net donation nor to a net ratio; further we did not clearly understand the ratio requirements nor how the ratio was calculated. Therefore, a 50% ROI requirement was not presented to our 2024 Chairmen.
2. For the past 8-10 years, there is continuous conversation that Swan Ball procures donors (not previous or recent Cheekwood or SB donors) whom Cheekwood then solicits for direct donations/sponsorships, exclusive of SB. This creates a hardship for chairmen, requiring new underwriters identified/solicited each year as a replacement. There is also conversation that Cheekwood is not appreciative or easy to work with and that Swan Ball is perceived as "a problem" by the BOD. This is important to mention as it is a topic arising when our Nominating Committee pursues volunteers – this is an issue if Swan Ball is to be considered as a continuum. It is becoming increasingly difficult to recruit chairmen to volunteer 12-18 months of their life to support a beneficiary lacking appreciation and desiring to remove what has been characterized as the "historical magic" of this legendary event.

After reviewing our meeting notes, we would like to ask the following:

1. We need confirmation that Cheekwood leadership understands Swan Ball's priority is to net the highest absolute net proceeds annually for Cheekwood while maintaining the Swan Ball brand; we cannot, however, commit to performance measures given the multiple challenges articulated in the PowerPoint presentation. We are a group of **volunteers**.
2. We would like a member of the Executive Committee to be present for the regularly scheduled meetings between our Chairmen and the Cheekwood staff (except our Swan Ball administrative team); this will provide continuity and avoid misunderstandings in the future. You can imagine how surprised we were when we heard that Cheekwood stated the Swan Ball didn't operate with a budget!
3. As to the 2024 Budget, until the accounting questions we presented (and any others you may feel might mitigate the 'ratio' problem) are reviewed, we will manage the 2024 SB to a ratio range of 40-50% and proceed with the budget process allowing the chairmen to move forward. We are pleased Cheekwood has agreed to assist in achieving this goal by:
 - a. Jane's negotiations with select vendors
 - b. Dan/Suzanne providing accounting support needed to eliminate the LBMC line item (Provided this does **not impact reconciliations**)
4. Although we did not review in detail the items listed on the last slide, we must reach consensus related to the future of Swan Ball prior to embarking on plans for 2025. The ask for the 2025 Ball Chairmen typically occurs in the 4th quarter. The answers to the accounting questions will be key to determining whether the ball can ever meet your expectations as we are not willing to diminish the image of the Swan Ball.

Again, thank you for your time. Please let us know your thoughts as soon as possible so we can proceed with 2024 and future years.

All the best,
Kathleen Estes
Chairman

Swan Ball Executive Committee